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Office Memorandum • UNITED STATES GOVERNMENT

TO : Director of Logistics

DATE: 6 May 1955

FROM : Chief, Procurement Division

SUBJECT: Weekly Activity Report

1. GENERALa. Status of DP Contracts Obligated Under Fiscal Year 1952 Funds (continued item):(1) Pending Determination by Contracting Officer

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[REDACTED]

Auditor advised Contracting Officer on 17 February 1955 that books were so unsatisfactorily kept that it was impossible to make up an audit report. Project Engineer states technically that the company performed satisfactorily. Supplemental Agreement allowing contractor's claimed costs in the amount of \$99,656.75 submitted to ICAB for comment on 15 March 1955. ICAB anticipated reply to be in Procurement Division by 1 April 1955. Memorandum dated 5 April 1955 and audit report dated 4 April 1955 received from ICAB on 20 April 1955 setting forth reasons for non-concurrence and recommendations. Brief of entire case has now been prepared for purpose of meeting with and reaching agreement for basis of settlement with Chief, Fiscal Division.

(2) Settlement Letter Prepared, Pending Admin Review

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[REDACTED]

*Supplemental Agreement mailed on 28 February 1955. Contractor has not executed Supplemental Agreement but has forwarded check in the amount of \$1,171.16. This refund is based on invoiced costs in the amount of \$18,296.46, less \$3,000.00 reduction which is \$379.46 less than our request. The check was forwarded to ICAB for them to cash same on 16 March 1955. After clearance of the check through the bank, Contract Branch will write a letter enclosing a revised Supplemental Agreement and indicating that he did not live up to his agreement, and we will initiate action to place him on our debarred bidders' list. Memorandum dated 18 April 1955, received on 20 April 1955, from Chief, Finance Division indicating the check will be processed with the understanding that settlement was determined by the Office of

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Logistics to be just and proper and in the best interest of the Government. Letter to Contractor and Supplemental Agreement will be forwarded this week.

**Settlement proposal was forwarded to Contractor. He took exception to certain disallowances. The Contractor's letter was sent to ICAB for comments on 4 March 1955. Cognizant auditor was in the field and action was not taken until his return during the week of 4 April 1955. ICAB's reply received 13 April 1955 and proposed settlement hand carried to ICAB on 19 April 1955. ICAB memorandum dated 22 April 1955, received 25 April 1955, concurs with our proposed settlement with the exception that G&A be reduced by \$65.11. This was done and same was added to profit which is still less than the 10% allowable. Settlement letter now being reviewed and should be forwarded to Contractor this week.

(3) Settlements Completed

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*There is still pending a determination of amount of royalty to be paid, but this must be accomplished by appropriate action [REDACTED]

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**There is still pending complete substantiation of contractor's claim for X-ray costs. Substantiation was received for all but \$59.11 of the X-ray claim. Contractor said he would check his files and submit the balance during week of 2 May 1955.

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b. Rental of [REDACTED] (continued item):

The proposed contract for rental of the subject equipment has been written into final form, however, the following problems have arisen and must be resolved prior to release of the contract to the contractor for execution. The purchase request for the rental of the equipment provided that delivery would be made at [REDACTED] however, it has been noted that in memorandums written in justification of the rental that the machine will be used at [REDACTED] Since installation and monthly servicing of the machine is to be performed by the contractor, and since the contract provides that the machine can be moved from its initial place of installation only with the contractor's consent, both security and contractual problems now exist. It is understood that a meeting will be arranged by Mr. [REDACTED] P&R Div., with representatives of the Procurement Division on 6 May 1955 to consider and resolve these problems.

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Additional requests have been received from OC to initiate negotiations which will lead to contracts for the following developmental work: (1) Field Evaluation of [REDACTED] (3) Underseas Cable, (4) Power Supply for RS-11, (5) Low Frequency Quadricode, and (6) the AN/UMC. Negotiations for these proposed contracts will be commenced immediately in an endeavor to make awards thereon within the time remaining in this fiscal year. Commo will not submit requisitions on the projects until proposals have been received and approved as to technical sufficiency by their office.

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d. Vehicles for [REDACTED] (continued)

Continuing follow-up has been maintained on all these items. Dep/Log, [REDACTED] has assured this Section that they will do everything possible to expedite delivery of these items. The Industrial tractor and the 10-ton tractor for the Reefer Van are two items on which a speed up in delivery has been requested. Advance of funds was received [REDACTED] on 3 May, and procurement was initiated the same afternoon by a representative of [REDACTED] Purchase Section.

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g. Backlog of Work: (continued)

The backlog at the beginning of the week was in very good shape. However, approximately 200 requisitions have already been received the first two days of this week.

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2. ITEMS OF INTEREST

a. Procurement Review Committee: (continued)

The Committee held one meeting on 3 May and reviewed a total of four new cases, three of which were resolved. The remaining case has been tabled for further review upon receipt of additional information.

b. Tape Recorders: (continued)



quisitioning activity has advised this Branch that an additional order for approximately 30 of these units is being forwarded to the Procurement Division.

3. PROJECTS AND STUDIES IN PROCESS

a. Workload in Special Purchase Branch: (new item)

Due to the increase in the workload in this Branch, it has been determined to rotate a number of employees on a six-day week basis. The number of personnel working 6 days will depend upon a weekly review of the pending workload.

b. Manual

The first draft of that portion of the manual assigned to the Negotiation and Specification Section has been completed and is now under review. The second draft of the Inspection Section of the manual has been completed and is under review. The first draft of the "Property Audit" portion of the "Audit" section of the manual has been completed and work is continuing on the balance of the section.



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